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# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Thursday, February 10, 2011**

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**Chair**

**The Honourable John McKay**



## Standing Committee on Government Operations and Estimates

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• (1105)

[English]

**The Chair (Hon. John McKay (Scarborough—Guildwood, Lib.)):** Ladies and gentlemen, I see a quorum, and it is shortly after 11 o'clock.

We're pleased to welcome to the committee Mr. Head, from Correctional Services, along with Ms. Dumas-Sluyter and Superintendent Fraser Macaulay.

Mr. Head, you've been here before, and you might be here again, who knows? You presumably have some opening remarks, and we'd appreciate it if you'd share them in the next ten minutes with the committee.

Thank you.

**Mr. Don Head (Commissioner, Correctional Service of Canada):** Thank you, Mr. Chair.

I just want to correct something, for the record. Mr. Macaulay is the assistant commissioner of human resources. He left the RCMP to join us, and for us that was a tremendous win. So I try not to remind him of his RCMP background too much so that he would want to go back there.

Anyway, good morning, Mr. Chair and committee members. Thank you for the opportunity to appear before you today to discuss the measures the Correctional Service of Canada is taking to adjust our operations in light of the departmental budget freeze.

As you may recall, I first appeared before the committee last October to discuss this issue. At that time I laid out for you some of the measures Correctional Service Canada was taking to ensure that we could continue to produce positive public safety results for Canadians in an environment of fiscal restraint. Today I would like to provide you with some more detailed information about our efforts. I will also address the issue of the Parliamentary Budget Officer's most recent report. Finally, I'd like to provide you with more information about our recruitment efforts in light of an anticipated growth in our offender population.

With respect to Correctional Service Canada's annual budget, personnel costs represent our largest expenditure. For fiscal year 2010-11, Correctional Service Canada's overall budget is \$2.46 billion. Personnel expenditures, including salaries and benefits, represent 61.2% of the budget, or \$1.5 billion. The rest is dedicated to operating costs, which represent 25.4% of our budget, or \$625 million, and capital investments, which is 13.4%, or \$329 million, of our total financial expenditures.

One final figure will be of interest to you. For CSC, the reduction identified as part of the containment measures in this fiscal year 2010-11, \$4.8 million, is the figure that has been identified for our reduction target, which excludes the employee benefit plan and Public Works and Government Services costs.

You may remember from my appearance last fall that the vast majority, about 90%, of CSC's operating budget is non-discretionary and quasi-statutory. This includes fixed costs that we must fund on a continuous basis, such as the provision of food to offenders, utilities, staff uniforms, and payment in lieu of taxes to municipalities. The remaining 10% provides us with some opportunity and flexibility in seeking out ways for us to meet the freeze on operating costs. In addition, we have undertaken rigorous efforts to reduce our overtime costs by implementing new staff deployment standards for correctional officers and by utilizing a computerized roster system to ensure that we are efficiently staffed on a 24-hour, seven-day-per-week basis.

I'm proud to say that between 2008-09 and 2009-10, we were able to reduce our overtime costs from \$83 million annually to \$52 million. This year we targeted further reductions in our overtime budget, and we are well on track toward achieving our goals. As of December 2010, our overtime expenditures were at \$31 million, compared to \$36 million in December 2009. As you can see, we've already realized an additional \$5 million in efficiencies.

In addition, we have achieved over \$5 million in savings from a more rigorous approach to managing travel and hospitality expenditures. Furthermore, we are studying efficiencies in programming by piloting an innovative integrated correctional program model in the Pacific region.

**The Chair:** Please continue, Mr. Head.

I just ask colleagues if they would keep their conversations at a level that allows the presenter to be heard.

Thank you.

**Mr. Don Head:** Thank you, Mr. Chair.

This approach reduces redundancies and overlap in some of the programs we offer to offenders, and ensures a more timely delivery of programs to offenders while maintaining the quality of content and staff training. The preliminary findings of the pilot program are showing efficiencies in delivery and staff training, and promising operational cost-effectiveness.

Another means of ensuring that we have the right people in the right place at the right time has been the integration of our human resources, business planning methods, and our risk profile. This helps CSC to forecast our staffing and recruitment needs more accurately, which is particularly important for us in this time of renewal and change.

To this end, we have developed and implemented a strategic plan for human resource management for the 2009-12 timeframe, and will be updating this following the upcoming budget speech. This overarching framework integrates our business lines as laid out in the program activity architecture and our report on plans and priorities. It commits to focusing on three strategic priorities: building relationships and engaging our partners, building on our foundation, and investing in our people.

Through this strategic alignment of our resources with our corporate priorities, we are ensuring that people and the financial resources we have are focused and directed in step with the organization's overall goals.

This provides me with a good segue to discussing the recent comments surrounding the Parliamentary Budget Officer's report, and the perception that CSC wilfully did not respond to Mr. Page's request for information about our human resource plans.

I would like to assure the members of the committee that this is simply not the case. We received the request, and it was being processed through our internal channels. However, there was a human error that resulted in the file not being submitted in time to meet the deadline. I can assure you that going forward there will be increased monitoring and managerial oversight to guard against repetitions of this type of incident. I regret that our strategic human resources plan was not sent to Mr. Page's office on time. However, the report is, and was, available in full on our website.

This brings me to the final area I'd like to address this morning, which is a part of our human resource plan today and in the future. It is the hiring of additional staff to address the growth we expect to see in our offender population as a result of recent legislative initiatives. We expect we will need over 4,000 new employees to ensure that we can continue to manage our anticipated offender population growth in the coming years.

Our strategic HR framework will guide us with these efforts, and the funds we requested and received from Parliament will ensure that we can allocate the resources we need to handle any influx of offenders who may come our way. We have built internal planning and forecasting tools, in line with the "building on our foundation" priority, to project the number of correctional officers and parole officers we will need over the next 24 to 36 months.

We have mapped this against traditional attrition rates, together with existing and projected resourcing levels, to develop a clear plan to ensure that we have the people in place to manage our complex and diverse offender population. Under the "building relationships and engaging our partners" priority, we have reached out to the RCMP in order to collaborate with them for the delivery of some of our correctional officer recruit training at their facility in Regina, Depot Division. This partnership will ensure that CSC will be able to increase its internal capacity to deliver the comprehensive and

rigorous training required for our new correctional officers, while not taking away from CSC's ability to meet the training needs of our other front-line employees such as our parole officers. As part of the "investing in our people" priority, we have undertaken work to revitalize our national training standards and our ability to track training for all staff to ensure they are prepared to accomplish the work they are expected to perform.

I am confident that CSC is well equipped to adapt and continue to provide good public safety results while meeting our financial targets.

I want to thank you again for the opportunity to update you on some of the initiatives we are putting in place to manage our budget. I would be happy to entertain any questions you may have of me at this time.

Thank you.

• (1110)

**The Chair:** Thank you, Mr. Head.

Madam Coady.

**Ms. Siobhan Coady (St. John's South—Mount Pearl, Lib.):** Thank you.

And my thanks to you, Mr. Head, and your colleagues for joining us today on this important and serious issue.

I have some fairly straightforward questions. I understand, through what you have told us today and through the Parliamentary Budget Officer's report, that by 2012-13 you'll have hired an additional 4,119 new employees. These are new positions, correct?

**Mr. Don Head:** That's right, yes.

**Ms. Siobhan Coady:** Thank you.

Can you tell us what your attrition rate would be over the same period of time?

**Mr. Don Head:** We're projecting over the next two fiscal years that our attrition rate will be approximately 1,000 employees, give or take a 7.4% margin of error.

**Ms. Siobhan Coady:** Thank you for being so specific.

Let's make sure we're all clear on this: you're losing 1,000 people approximately, but in addition to replacing those positions, you're gaining additional 4,000, so you're actually hiring 5,000 people.

**Mr. Don Head:** Yes, we'll go through staffing processes. That will result in 5,000 processes, yes.

**Ms. Siobhan Coady:** Thank you. There was what I'll call a shell game going on with the Treasury Board president about these attrition rates and hiring and so on, and I want to make sure we all understand exactly what we are talking about.

You will be hiring 4,000 new positions but actually going through the process for about 5,000.

**Mr. Don Head:** Yes. The one thing I'll clarify is that as we go forward with refining our reduction plans we may be making some other decisions about some of those positions—the existing ones. So it may not be exactly 1,000; there might be a lower number.

**Ms. Siobhan Coady:** You may not replace some of the positions that people are either retiring from or leaving.

• (1115)

**Mr. Don Head:** That's possible, yes.

**Ms. Siobhan Coady:** And you don't have the number at this point as to what that loss of jobs may be.

**Mr. Don Head:** No. We hope to refine that in the next couple of months, based on the upcoming budget speech.

**Ms. Siobhan Coady:** Mr. Head, we would appreciate it if you could advise this committee when you have those plans solidified, because we are doing this study and we are also trying to get a handle on the impact to our citizens.

At the same time that you're having to hire these additional 4,000 new positions, you're undergoing a 1.5% budget freeze, in addition to a 5% strategic review, correct?

**Mr. Don Head:** That's right.

**Ms. Siobhan Coady:** Okay, I'm trying to justify this in my mind. You've told us you have 90% non-discretionary or quasi-statutory requirements on your funding. So you have a buffer, we'll say, of 10% that has to go towards this. I'm questioning how you actually can do that.

Again, I'll talk about how you're hiring an additional 4,000 new positions at the same time that you're undergoing a 5% cut, we'll call it, under the strategic review process and a 1.5% budget freeze. How are you doing that?

**Mr. Don Head:** It's a very good question, and there are a couple of things I'd point out. Some of them are linked to some of the measures I mentioned in terms of getting better control on deployment standards for our staff. That is being accomplished partly through the computerized scheduling system we've put in place for correctional officers. That in itself has allowed us to reduce our overtime budget by \$30 million during the two previous fiscal years. And at this point, we're on track for an additional \$5-million reduction this year.

We've identified efficiencies in some key areas that will not necessarily impact service delivery, public safety, or the safety of my staff or the offenders we're responsible for. We're putting those in place.

As well, there are the measures we've put in place to reduce costs associated with travel and hospitality. We've become much more rigid and strict around that, and we've achieved some significant reductions that we can sustain in that area.

**Ms. Siobhan Coady:** I'm basically hearing that you're not the least bit concerned, because you've already made the efficiencies within your own budget. You're not concerned about having to hire 4,000 new employees—getting in effect a 6.5% reduction in your budget—I'm still trying to square that peg—even with the savings you've found under deployment and new efficiencies.

I'm going to ask you a question, and this is all about the Truth in Sentencing Act. We look at what the Parliamentary Budget Officer did in looking at that area and the requirements that are going to be needed by the correctional services under that act.

Now, there are many other acts, and I'm just thinking of what's before us today. Bill S-10 is before us today. We've got Bill C-4, Bill C-39; we've got a number of other acts. Bill C-39 is the act to amend the Corrections and Conditional Release Act. Bill S-10 is an act to amend the Controlled Drugs and Substances Act. Bill C-4 is an act to amend the Youth Criminal Justice Act. They can't be fitting into your plans, I don't think, at this point because you're still going through the process. Yet I think the Conservatives are hoping that the process will come to a quick conclusion.

The impact is going to be layered on top of the Truth in Sentencing Act. Are you not concerned that instead of being tough on crime you're going to be wrong on crime, in the sense that the judicial system will face an overburdened point where criminals may actually not be punished in the right and proper manner?

**Mr. Don Head:** I am concerned about what the tipping point might be for corrections. But I'm confident that with the exceptional staff I have across the country we'll manage in a way that we deliver good, effective corrections. It's my goal, based on whatever is passed through Parliament, to ensure that we deliver that, and I really am confident—

**Ms. Siobhan Coady:** I'm sure that as a confident and competent public servant you will do your utmost to do that. My role today is to say I'm quite concerned. Here we have the layering in of all this crime legislation. We know the impact of the Truth in Sentencing Act. We do not know the impact of the other acts, because of course we can't get that information.

On top of that, you're getting a 6.5% cut at the same time you're having to increase by 4,000 employees. I know you're going to do your best, but I will say that is of concern. I'm concerned that we will actually have an overburdened system and the criminals who may need to be punished and may need to go into prisons may not have due process and may actually cause a challenge to our communities in not having them incarcerated in the proper manner.

I don't know how much time I have left.

• (1120)

**The Chair:** Half a minute.

**Ms. Siobhan Coady:** I want to ask you about the delineation between responsibilities by the federal government and then those borne by the province. In the Truth in Sentencing Act and what the Parliamentary Budget Officer talked about, I know that for Newfoundland and Labrador we're going to require as a province additional annual funding of between \$77 million and \$98 million. That's a tremendous amount of money to a small province. How are we going to be able to do that? You've got issues budget-wise federally; we're going to have them provincially.

**The Chair:** Very briefly, Mr. Head.

**Mr. Don Head:** I think I mentioned, previous to my appearance, that these are some of the discussions we're having with my colleagues in the provincial and territorial heads of corrections meeting, looking at cumulative impacts. It's also the opportunity for us to review our changes to service agreements that we have with all the provinces and territories as well.

**The Chair:** Thank you, Mr. Head.

[Translation]

Ms. Bourgeois, you have eight minutes.

**Ms. Diane Bourgeois (Terrebonne—Blainville, BQ):** Thank you, Mr. Chair.

Mr. Head, ladies, gentlemen, good morning. Thank you for appearing once again before us.

I would like to come back to the hiring of full-time employees. To what professional groups do the members of the staff that are about to be hired belong? Is this what we call the CX group, prison guards, people who work in mental health, supporting staff? Who are these people?

[English]

**Mr. Don Head:** Yes, of the 4,119 we're basically going to be hiring in almost every category, so that will include correctional officers, parole officers, program officers, nurses, psychologists, social workers, administration support staff, the general labour trades that are needed to keep the facilities running, and other assorted staff. So we're basically touching upon every occupational group that's within my organization.

[Translation]

**Ms. Diane Bourgeois:** Where will most of these people be hired?

[English]

**Mr. Don Head:** The largest group will be the correctional officers, what's known as CX group, and that's primarily because we're building new units, which are staffed mostly by correctional officers.

[Translation]

**Ms. Diane Bourgeois:** Mr. Head, in June 2006, the Treasury Board of Canada and the UCCO-SACC-CSN, namely the correctional officers, signed a collective agreement. It provided annual pay raises until June 2011, I believe. However, the Budget Implementation Act, which came into force in March 2009, changed this collective agreement and put a ceiling on the wages and the remuneration of employees. I think that the UCCO-SACC-CSN is currently suing the Correctional Service of Canada. Am I right?

[English]

**Mr. Don Head:** I'm not sure about the legal action. I know the union had talked about that at one point, and that may be the case. It would not be legal action against the Correctional Service of Canada. But the correctional officers who are represented by UCCO-SACC-CSN are one of six unions we deal with. Their collective agreement expired May 2010 and they're currently in negotiations with the Treasury Board, which represents the employer. Those discussions are ongoing.

At some point when they reach a settlement, we will have to go back and look at the 1.5% impact of that on any salary increase they may negotiate.

[Translation]

**Ms. Diane Bourgeois:** Do you believe that the Treasury Board Secretariat is hoping to win the case and thus keep the money that is due in pay raises? Do you think that this could be helpful to you?

[English]

**Mr. Don Head:** In the case of the negotiations that are ongoing right now, the Treasury Board has its strategy. What that is I guess will be determined. So in terms of what that might be, it probably would be best directed to the Secretary of the Treasury Board.

[Translation]

**Ms. Diane Bourgeois:** That's all right. I simply want to draw my colleagues' attention to a labour-management relations issue that could have a negative impact internally, within the establishments of the Correctional Service. It is important to keep this in mind.

We heard that the Correctional Service may allocate sums of money, in other words, that Treasury Board may allow the Correctional Service to allocate funds for the expansion, renewal or construction of new establishments. Do you know how much money could be earmarked for that purpose?

• (1125)

[English]

**Mr. Don Head:** As they relate to Bill C-25, the bill regarding credit for time served, and the Tackling Violent Crime Act, which is minimum mandatory penalties for gun crimes, yes. We have the approved numbers in our budget. Yes, we do.

[Translation]

**Ms. Diane Bourgeois:** Is this meant for minimum security establishments or all kinds of facilities?

**Mr. Don Head:** It is meant for all establishments.

**Ms. Diane Bourgeois:** Is the idea of putting two or more inmates in the same cell still being entertained, or have you entirely rejected it?

[English]

**Mr. Don Head:** No. Out of necessity, we are double-bunking. We have been for many years.

Our level of double-bunking has increased this last year. We've traditionally been double-bunking around 10%. But with the increase of offenders coming in this fiscal year... We're up about 400 more offenders so far this year in comparison with last year. So the level of double-bunking in my institutions has increased.

[Translation]

**Ms. Diane Bourgeois:** This seems extremely important to me, Mr. Head, and you will agree. In the 2008-2009 annual report of the Office of the Correctional Investigator, the investigator said, in recommendation 10: "With respect to correctional programming, I recommend that in the coming year, the Correctional Service make significant progress...". It is not enough to simply offer a program, for instance to show someone how to do woodwork, but it should help to reduce wait lists, or to give more day passes—there was a bottleneck, there was not enough staff and the staff that was there was not properly trained to handle day passes—to improve the access to programs and to enhance the programs that are offered to offenders who have special needs.

In my opinion, this is at the heart of our debate. Inmates are overcrowded in a place or an establishment, inmates are poorly served because the staff cannot meet the demand created by their needs, these inmates are not allowed day passes, and they are very unhappy and dissatisfied, they are forbidden to see their family. This creates discontent that could lead to explosive situations. We would like to hear what you have to say about this. How are you going to manage all those risks? It is good that you have come to this committee to tell us that you are going to add 4,000 extra persons to your services. However, how are you going to manage the small budget, the 10 % of the budget that you have left, so that the inmates as well as the people who work inside can function and live in a perfectly safe environment?

**The Chair:** Please be brief, Mr. Head.

[*English*]

**Mr. Don Head:** Yes, and maybe I can expand upon it at a later point or a later question.

We are taking the issue of programming, education, and employment skills development for offenders very seriously. My strategy is a very simple one. First, I want to make sure my environments are safe and secure. Second, I want to make sure we have in place the kinds of programs that are addressing the needs of offenders. Third, I need to make sure we have the right transition of those offenders out into the community for supervision while they're on conditional release. And fourth is making sure they're prepared for that final hand-off when they reach warrant expiry. So my strategy is clear, Madame.

[*Translation*]

**The Chair:** Thank you, Ms. Bourgeois and Mr. Head.

Mr. Gourde, you have eight minutes, please.

**Mr. Jacques Gourde (Lotbinière—Chutes-de-la-Chaudière, CPC):** Thank you very much, Mr. Chair.

I also thank the witnesses for being here this morning.

Mr. Head, in your statement, you said that you had succeeded in decreasing overtime hours, so that the cost went down from \$83 million to \$52 million. Please explain to me why there is still such a large amount of overtime. Is it because some people don't come in to work and others have to stay at work longer to fill the gap? What is going on?

• (1130)

[*English*]

**Mr. Don Head:** It's a very good question. Thank you.

There are several factors at play when it comes to overtime expenditures within a correctional system. Some of it's linked to unplanned leave by staff, so when staff become sick and that's not planned, and we haven't planned to replace them. There are times when we have overtime costs because of emergency situations in the institution. Again, they are unplanned for, they occur, and I have to bring in additional staff to address the issue—for example, to respond to a riot in an institution.

As well, we have costs that are driven just because of the nature of the work. If we have an increase in the number of offenders who

require outside visits to doctors or hospitals, those are additional costs. We look to see if we have any release staff left on the shift, and if we don't, then we sometimes have to go to overtime.

Most recently, some of our additional costs have been coming as a result of sections 127 and 128 under the Canada Labour Code, when staff feel that the environment is unsafe. We're unable to do certain things until a labour officer eventually comes in and makes a ruling of danger or no danger. We sometimes have to put in extraordinary measures, which are associated with overtime costs as well.

But where we've been putting most of our time and energy over the last few years is on those areas that I classify as controllable overtime, driving that down to the lowest level and then looking at what other options or alternatives are available to address some of the unplanned-overtime issues.

[*Translation*]

**Mr. Jacques Gourde:** You also pointed out that you had succeeded in saving \$5 million in hotel, restaurant and travel expenditures. In what circumstances do such expenses occur?

[*English*]

**Mr. Don Head:** Well, this is travel by public servants, primarily across the country. We do not have as much international travel as we had in the past. That was one of the reduction measures. We've driven those costs down. But we try to find the right balance in terms of learning and development opportunities for the staff. In some cases there still is international travel because some of the best events occur outside of Canada.

In terms of our hospitality, it's just been a very focused effort to say that in these events or these certain types of activities we're not going to fund hospitality using taxpayers' money. This has allowed us to take a much more rigorous approach in managing that and exercising the authorities that managers have in making decisions around hospitality.

This is very much in line with the direction that's been given to most government departments, when their hospitality and travel budgets were frozen at the 2009 levels. We made an internal decision that we're not just going to accept the freeze; we're actually going to reduce the costs, both to help out with any reduction initiatives we have to put in place, and potentially, when we've met those, if there are any additional moneys left over, looking at investing them into some of our other priorities or high-risk areas.

[*Translation*]

**Mr. Jacques Gourde:** Mr. Head, you also succeeded in cutting the costs of certain programs. You have set up or tested a new model of an integral correctional plan? What does this mean?

[English]

**Mr. Don Head:** Yes. One of the things that we are piloting right now in the Pacific region, just as you pointed out, is the integrated correctional program model. This approach is allowing us to do several things. It's allowing us to eliminate the duplication that occurred among several types of programs that we were offering. We found in some of our programs that the kinds of materials that were delivered in one program versus another were identical. We would have offenders who may have to go to a violence program, an anger program, and a cognitive skills program, and they kept getting that same piece over and over again. That would cause some of them to think about dropping out of those programs because they felt they were taking the same thing over again. We've taken an approach now where those common elements in the programs are being delivered at the time that they're being admitted to the federal correctional system. They're getting those common pieces up front so that after they've gone through the assessment units and have been placed into the penitentiary where they will be for a while, they can start the more specific components of the programs.

This has allowed us to do a couple of things. One is to get offenders engaged in programs much earlier than before. What we had found is that the offenders were not starting their first program for as long as 150-plus days after their time of admission. Right now we've dropped that down to where they're starting these program primers within the first 30 to 45 days of coming into the federal system. So this is achieving some efficiencies for us. As well, it's getting the offenders more engaged in their programs, because we can take a modular approach to programs, where before they used to have a fixed start date and a fixed end date, and if you miss the start date you may have to wait several months before you're on the next list to start that program. The approach that we put in place is a modular one, so people can be plugged into the programs regardless of what time, and we can keep it flowing. This way we get more offenders engaged in programs quicker and in a more effective and efficient way.

•(1135)

[Translation]

**Mr. Jacques Gourde:** I have barely a minute left.

Have you succeeded in applying any other cost-cutting measures besides the ones that you mentioned?

[English]

**Mr. Don Head:** Some of them are linked to the work we're doing on the human resource side. There are significant costs that are associated with staffing a position. With some of the streamlined processes that we've put in place for initiating staffing, particularly for jobs that are more common across the organization, we have a process that's allowing us to get those positions filled quicker, and in some cases it also allows us to reduce overtime costs associated with backfilling for that position that is vacant until it's staffed. And the tools that we've put in place on the human resource side are giving us much better information in terms of projecting where our needs are going to be and initiating our staffing processes well in advance, as opposed to waiting until the position becomes vacant.

So the initiatives under Mr. Macaulay's leadership in my human resources area are positioning us much better to have timely, effective, and cost-saving human resource measures in place.

[Translation]

**The Chair:** Thank you, Mr. Gourde and Mr. Head.

[English]

Mr. Martin, eight minutes, please.

**Mr. Pat Martin (Winnipeg Centre, NDP):** Thank you, Mr. Chair.

It's nice to see you again, Mr. Head.

I'll pick up where my colleague Madame Bourgeois left off. In response to a question from her you indicated that the prison population is in fact up. I think you said by 400 to 500?

**Mr. Don Head:** By 400, yes, sir.

**Mr. Pat Martin:** Is this in the last year?

**Mr. Don Head:** Yes.

**Mr. Pat Martin:** What do you attribute that to?

**Mr. Don Head:** We're trying to analyze the data. Some of it is associated to normal growth and some of it is associated to what we anticipated was the growth that would come from the "credit for time served" bill that was passed and came into effect last February. So we're starting to see the impacts of that. We've had to refine our databases so we can capture more information to determine actually what stream these people are coming from, but the early indications are it's a combination of both a normal growth and the legislation.

**Mr. Pat Martin:** Could you define "normal growth"? How do you categorize a normal growth?

**Mr. Don Head:** If we put aside the individuals who weren't being categorized, so just the normal crime rate processes and flow through that—

**Mr. Pat Martin:** But if all the statistics show our crime rate going down, would it be normal that the prison population would be going up?

**Mr. Don Head:** It has been traditionally. As for the time, although crime rates may be going down, as you know, in terms of people moving through the system, it takes a while, so we see sort of an echo effect down the road.

**Mr. Pat Martin:** That's an interesting point.

In your opening remarks you said it was more or less a clerical error that denied the statistics to the Parliamentary Budget Officer in a timely fashion. His testimony to us was that it was like pulling teeth to get the information he wanted. I think he had targeted ten departments, and only two.... Unless I'm reading things into his testimony, he made it sound as though he was having a heck of a time getting the information he needed, especially from Corrections and the RCMP. They were the last ones to cooperate.

Did I understand you to say that the information he wanted was up on your website anyway?



•(1140)

**Mr. Don Head:** That's right. I'm actually meeting with the Parliamentary Budget Officer on Friday to have a discussion. When his report came out and we were cited as "no response", I was away that day, but my second in command immediately phoned him on my behalf to express apologies and to clarify what had happened. He was quite understanding of that. Subsequent to that, he and I both agreed that we would meet—and as I say, we're meeting on Friday—just to talk about some of the engagements in the past.

But yes, the material was on our website. It was a clerical error, and to be honest, as leader of the organization, I accept responsibility for that.

**Mr. Pat Martin:** Do you mean that while he was asking for that information, all along it was on your website? He didn't need to come to you at all? He just had to click on your website—

**Mr. Don Head:** That's right.

**Mr. Pat Martin:** —and he would have found the information he was after?

**Mr. Don Head:** Yes. The document he asked for was on our website.

**Mr. Pat Martin:** I have another question. Has your department done research to measure the impact or the effect on your population of the truth in sentencing legislation that's currently working its way through the system? What do you anticipate the impact of that single piece of legislation might be?

**Mr. Don Head:** We're working through that right now. I put together a small team to assess the impact of that, but also to assess the cumulative impact of all the bills, because I need to not only respond to whatever the outcome of those is but also make sure, in an integrated way, that I'm still meeting the intent, the spirit, and the specific mandate as described in the Corrections and Conditional Release Act. So I've put together a team that's helping me make sure we are weighing all the elements of this and making sure they are reflected in our plans going forward.

**Mr. Pat Martin:** I don't envy the position you're in. It's difficult, because you really don't even know if these bills will ultimately pass, but if they do, you have to be ready to respond to them.

Our side of the table is quite interested in a movement that's going on in the United States on prison reform. It is being spearheaded in part or championed in part by Newt Gingrich, who has clearly said that 30 years of tough-on-crime, lock-'em-up reasoning has been a catastrophic failure in the United States. Not only are they going bankrupt trying to build enough prisons, but the reform is not having the desired effect of safer streets.

This is something that's obviously.... You're not in charge of this kind of policy, but you are in charge of coping with the predictable consequences of this, we think, reckless policy. But the more people we stack up in prison without services and without drug rehabilitation.... It does worry me that people are put back out on the streets sooner or later with the same social problems or lack of social skills they had when they went in.

One of the things they're doing in the United States now is drug rehabilitation. It's a big issue. They're starting to look at drug addiction as an illness and substance abuse as a sickness, not a crime,

although it may lead to crime and has to be stemmed for that good reason. I know in the United States there's very little drug rehabilitation or opportunity, other than abstinence from the drug that was your problem. They're not solving the root causes of your substance abuse problems.

What kinds of programs still exist in Canadian penitentiaries to do with substance abuse? Are there mandatory programs that people go into, or are they optional? Do you find funding is adequate in that regard in your system?

**Mr. Don Head:** That's a very good question and comment.

One of the things we measure ourselves against, in comparison with other correctional jurisdictions, is how we provide programs and interventions to offenders. In comparison with the United States of America, although there are pockets in different states, I consider that we're still one of the leaders in providing services to offenders.

Our overall intervention strategy is made up of three main pieces: education in areas such as substance abuse, violence prevention, and sex offender programming; cognitive skills and living skills programming; and employment skills. These are the three cornerstones of our correctional system. They are responsible for the good public safety results that we've been producing over the years. Part of my job is to go through these exercises in relation to budget reductions and any new legislation and to make sure that our strategy piece is front and centre. At the end of the day, I need to make sure I continue to produce those public safety results.

•(1145)

**The Chair:** Thank you, Mr. Head.

Thank you, Mr. Martin.

Mr. Regan.

**Hon. Geoff Regan (Halifax West, Lib.):** Thank you, Mr. Chairman.

Commissioner, you said that double-bunking has gone up. Could you tell us by what percentage it has gone up? And could you tell us how much you expect it to go up over the next year, over the next two years, over the next five years?

**Mr. Don Head:** We were hovering around a 10% margin of double-bunking for many years. This year we're moving up beyond 12% to 13%, although I have some facilities right now that are much higher than that. I have some facilities at 20%, a couple at 50%. And my assessment units, which are the intake from the courts and the provinces, are at 100% double-bunking right now.

We anticipate, as we move through this process of building new units, that we will reach levels of 20% to 30% double-bunking before those units are actually complete and I can move people back to single cells.

**Hon. Geoff Regan:** I'd be very concerned that this practice will lead to more friction among inmates and more problems within prisons.

What has the attrition rate been? And what's the history of the attrition rate? Have the numbers been increasing? How much do you expect the attrition rate to increase over the next three years?

**Mr. Don Head:** That's a good question.

Three years ago our attrition rate was 5.2%. The year after that, it was 5.4%. Last year it was 4.6%. And this year, up till the end of December, it's at 3.3%. So it's been relatively flat. There's been a bit of an increase.

One monitoring advantage of mine is that I sign all the retirement letters and retirement certificates for my employees. So I gauge things by the stack of certificates that come onto my desk. A couple of years ago there was a bit of an increase. It has now levelled off. And right now it's a little lower than it was during the last three years.

There may be a couple of factors at play here. We chart very closely the potential eligibility of people who are retiring based on age and time of service.

**Hon. Geoff Regan:** I'm just looking for the strict numbers.

**Mr. Don Head:** Those are the numbers right now.

**Hon. Geoff Regan:** You've given me an idea of what it's been. If you don't have the forecast right now, perhaps you could provide us with it later. We would like to know where you see the attrition rates going—

**Mr. Don Head:** Yes.

**Hon. Geoff Regan:** —based on what you must know about ages and so forth.

**Mr. Don Head:** We see it still between that 3% and 5% over the next couple of years. For the next two years, we're projecting that about 1,000 people will retire, with a 7.4% margin of error.

**Hon. Geoff Regan:** How much do you expect Canada's prison population to grow as a result of Bill C-59, which abolishes the early parole?

**Mr. Don Head:** That number is in the normal processes for sharing with government, so I'm not at liberty to share it with you now.

**Hon. Geoff Regan:** Before these bills relating to crime and sentencing would be introduced, would Corrections Canada be consulted as part of that process?

**Mr. Don Head:** Yes, we would.

**Hon. Geoff Regan:** By the time the bills are tabled in Parliament, surely you have an opportunity to begin the process of figuring out what impact it may have.

• (1150)

**Mr. Don Head:** Sorry, I should clarify. We're not consulted before the bill comes in. We become aware most of the time when the bill is coming forward. I did not want to leave you with the impression that we were involved in discussions at that time.

**Hon. Geoff Regan:** So the government doesn't consult Corrections Canada on what the impact would be of these kinds of bills?

**Mr. Don Head:** We provide input once the information becomes available.

**Hon. Geoff Regan:** Yes, once it's tabled, not until it's introduced in the House. That's very interesting.

The Parliamentary Budget Officer has said that the Truth in Sentencing Act will add \$1 billion per year to your budget over the

next five years. There are of course a whole series of other.... I think there are 11 criminal justice bills right now before Parliament that can also expect to add costs. Can you provide the committee with a list of how much each of the government's other crime bills will add to the prison population and to the cost? Surely we're entitled to have some idea of that, considering that many of these bills have been before Parliament for quite a while now. The government says forever, but that's not accurate.

**Mr. Don Head:** I can provide you with the ones that have been passed. As for the others, unfortunately, I'm bound by cabinet confidence.

**Hon. Geoff Regan:** Okay.

In terms of what we're looking at, with regard to your forecasting and budgeting, you can't tell us anything, I take it, about how much more it's going to add to what you have to budget if all these bills pass?

**Mr. Don Head:** In certain cases I could describe some of the assumptions we would be taking into account, but the numbers we would be putting forward through Treasury Board submissions I couldn't share.

**Hon. Geoff Regan:** The government has those numbers, but it won't release them to us.

**The Chair:** Madame Bourgeois, for five minutes.

[*Translation*]

**Ms. Diane Bourgeois:** Thank you very much, Mr. Chair.

I have a brief question and another one that is longer.

First, Mr. Head, let me tell you that under your leadership and the leadership of the people around you, the Correctional Service of Canada has effectively accomplished many things. I realize that there has been a change.

**Mr. Don Head:** Thank you.

**Ms. Diane Bourgeois:** The Correctional Service of Canada offers services in Haiti. You are aware of this. Are the costs of those services included in your budget? Are you paying a part of the services offered by Canada to Haiti?

[*English*]

**Mr. Don Head:** A very good question.

For any of the initiatives we were involved in overseas, such as Haiti and Afghanistan, we're compensated through funds through DFAIT for that. I don't have to reduce my base budget to cover the costs of the 25 staff that we have in Haiti or the five in Afghanistan.

[*Translation*]

**Ms. Diane Bourgeois:** Now let me put the longer question.

You said that 10% of the budget of the Correctional Service of Canada allow you to have some latitude in your operations. I suppose that the costs of these programs are covered by this 10% of the budget. The Correctional Investigator tells us on page 26 of his report that “programming is key to safe reintegration”. The Correctional Service of Canada recognized in January 2009 “that it needs to augment program capacity in a number of areas.” And you just indicated these areas, which include “programs and interventions for offenders with education and learning deficits, for those with mental health needs, and for those serving short sentences in higher security facilities.” Now, you have a great challenge ahead of you, given the fact that 80% of offenders have not finished high school.

If these programs are essential to social reintegration, how can you carry out your mission, given the very small financial resources that you have, namely 10% of your budget? It can hardly make a dent in all those needs. What are you going to do?

[English]

**Mr. Don Head:** Another very good question, and it gives me an opportunity to clarify.

Most of our program costs are deemed to be statutory or quasi-statutory, so they're actually in the 90%. This isn't an area we would be reducing. That money is basically enveloped or guarded.

As well, we have over the last couple of years received additional moneys as a result of strategic reinvestment to the tune of \$48 million. That has allowed me to increase my programs in areas such as violence prevention, our community maintenance program, our aboriginal programming, and our introduction of Pathways units for aboriginal offenders at Stony Mountain. This would also allow for enhancements to our high-offender intake assessment process.

Not only have we guarded the money that we already had for programs, but we've also had an increase over the last couple of years that's allowed me to move forward.

• (1155)

[Translation]

**Ms. Diane Bourgeois:** I would like to understand this clearly. Over the past years, you have broadened certain services. However, at this time, you only have 10% of your budget left and you have to cut some expenditures. Which expenses will you cut? This is what I want to know.

[English]

**Mr. Don Head:** I'm sorry, madam, I may not be explaining it clearly. The programs part is not in the 10%, it's in the 90% that's protected.

[Translation]

**Ms. Diane Bourgeois:** All right, that is what I wanted to know.

Thank you, Mr. Chair.

**The Chair:** Thank, Ms. Bourgeois.

[English]

Mr. Holder, for the final five minutes.

**Mr. Ed Holder (London West, CPC):** Thank you very much, Chair.

I'd like to thank our guests for coming today to provide really important testimony.

I had a series of questions that I was going to go through, but I guess I want to divert myself. I was struck by something that came up when Mr. Martin was asking some thoughtful questions of you with respect to the Parliamentary Budget Officer.

My sense is that the Parliamentary Budget Officer was somewhat critical of the CSC for not providing information on a timely basis and for having, as Mr. Martin said, a heck of a time getting this information. Actually, I share Mr. Martin's surprise that Mr. Page was as critical as he was when.... I always hate to quote my opposition colleagues, and certainly my table colleagues, but I think Mr. Martin was right when he said that all you had to do was press a button to get that information. My first reaction is “sham wow”.

**Voices:** Oh, oh!

**Mr. Ed Holder:** I'm not sure where the “sham” is, because I find your testimony extremely credible. I'm just really surprised; “wow” is probably the other part of it.

But I want to thank you for your comments. I think that's important.

**The Chair:** Can you translate that?

**Mr. Ed Holder:** Well, “sham wow”,

[Translation]

in French and in English, it is the same thing.

[English]

To come back to Madame Bourgeois's important comment, 90% of your budget, as you've indicated, is non-discretionary and quasi-statutory. I've read in your comments here that your budget is \$2.46 billion for 2010-11. By my math, 10% of that—the amount that is neither non-discretionary nor quasi-statutory—is some \$246 million.

I think by any account that's a fair amount of money. But what makes me very impressed is what you've already done in terms of your savings as it relates to overtime and scheduling and the like. I think you deserve compliments—your department does—because I think that's really quite critical.

On the other side of that is I think a key question. In light of the budget freeze, the freeze that Canadians have to do in their own households right across this country, because that's financial reality.... We all have to be mindful. All departments have been asked to provide freezes in their departments. Do you believe, and are you concerned, that CSC employees will be able to maintain high-quality correctional service in light of this department freeze? I think that's the key question for all Canadians in terms of their safety and our concerns for them.

**Mr. Don Head:** Yes, and it's a very good question.

I just want to go back to one point, partly in defence of Mr. Page. In fairness to him, we never did tell him to go to this page and push this button. I don't want to make it sound like it was just there and that's why we ignored him.

**Mr. Ed Holder:** [*Inaudible—Editor*].

**Mr. Don Head:** Yes.

**Mr. Ed Holder:** I don't even say that lightly. I think he works hard, so....

**Mr. Don Head:** Yes. At any rate, I just wanted to clarify that.

In terms of the balancing piece, which I think is really what you're talking about, that is one of the things that are of concern to me. I think we're walking a very narrow path, one where, if we teeter the wrong way, we could see a diminution in terms of public safety results.

Although it does sound rather cliché, I am extremely, extremely confident in and proud of my staff, because they are very focused on their role, on their responsibilities, on their responsibilities for Canadians overall. I know that they are extremely focused on trying to find the right answers.

Having said that, are there areas where we can still find some efficiencies without affecting negatively the public safety results? I believe there are. Some of those things are, I guess in layman's terms, "nice to haves" within a correctional organization, but they're not necessarily considered to be value-added from providing public safety results.

Those are things that we are going to have weigh. There's a lot of emotion and passion and ownership around some of those things, but those are the discussions that we're going to be having in the coming months.

• (1200)

**Mr. Ed Holder:** Thank you, Mr. Head.

Mr. Calandra would like to make a comment.

**The Chair:** Well, we're down to 20 seconds.

**Mr. Paul Calandra (Oak Ridges—Markham, CPC):** I just wanted to reiterate a thank you, because it seems that you're doing a lot of very good work.

I was surprised that computerizing the schedule has taken so long. You're in a place where the buildings are crumbling after years of neglect. Back to when this government was elected, the military called it the ten dark years of neglect, and now we're seeing a system of restoring balance to the justice system. I'm quite happy that we're putting the investments in, that we're hiring the 4,000 people, and that our communities can be safe.

**The Chair:** Thank you.

**Mr. Paul Calandra:** I commend you, and was very happy with the outline—

**The Chair:** Thank you, Mr. Calandra, for those observations.

**Mr. Paul Calandra:** —of the great things we're doing in justice in this country.

**The Chair:** Thank you, Mr. Calandra.

Thank you, Mr. Head, and your team for their observations.

On behalf of the analyst, before I suspend, I'd just like to ask something with respect to your analysis of offender increases or decreases. The way I understood your answer to I'm not sure whose

question, when a bill is a bill, the estimate of the impact is, in your view, a cabinet confidence, or what your minister says is a cabinet confidence. But when a bill is the law, you certainly are at liberty to estimate the impact on your system.

Have you done that with respect to the Truth in Sentencing Act? Is that public?

**Mr. Don Head:** If you're referring to Bill C-25, the credit for time served bill, yes. I think the minister has put a number out there of \$2 billion over five years, which includes the capital costs associated with building the units we're putting in place.

**The Chair:** Is that helpful? It's for the purposes of our analyst.

[*Translation*]

**Mr. Édison Roy-César (Committee Researcher):** During a previous meeting, the Parliamentary Budget Officer said the Correctional Service had informed him that the cost of Bill C-25, Truth in Sentencing Act was a cabinet secret. You mentioned that as soon as a bill is adopted and the legislation is in force, we can get the information. Therefore, could you...

[*English*]

**Mr. Don Head:** I think the minister has done that. At the time the Parliamentary Budget Officer was talking about that, it was still a cabinet confidence. It's the minister's right to decide how to announce that, and we were respecting his right.

**The Chair:** It received royal assent.

Thank you.

Ms. Coady, is it on this point?

**Ms. Siobhan Coady:** Yes. It's on a similar point.

**The Chair:** It is a similar point.

**Mr. Chris Warkentin (Peace River, CPC):** Are we going to get another round?

**Ms. Siobhan Coady:** We asked the witness to provide to this committee information, and I'm asking him to do so. The witness agreed to provide this committee with information. I'm just reminding him of that.

**The Chair:** Thank you.

I'm sure that being the fine witnesses Mr. Head and his colleagues are, they'll do that.

I'm going to suspend for a couple of minutes while these witnesses leave.

Thank you, on behalf of the committee, Mr. Head.

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\_\_\_\_\_ (Pause) \_\_\_\_\_

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• (1205)

**The Chair:** Colleagues, let's resume.

We are already under time pressure. As you know, someone will want this room precisely at one o'clock.

We have a motion, which I propose to use the last five minutes of the meeting to deal with, so effectively, we have 50 minutes.

On behalf of the committee, I'd like to welcome Mr. Dicerni, Madame Gillis, and Madame McDonald to the committee. I assume that one or all of you have an opening statement. You're more than welcome to start with that, and then we'll go to a round of questioning.

**Mr. Richard Dicerni (Deputy Minister, Department of Industry):** Thank you, Mr. Chair.

I have a very brief statement. I think all members have a copy, so you can follow along with me.

Good afternoon.

As you mentioned, I'm Deputy Minister of Industry. I'm accompanied by the chief financial officer of the Department of Industry, Kelly Gillis, and Helen McDonald, who is the ADM of the spectrum, information technologies, and telecommunications branch.

We are here today to discuss how Industry Canada is responding to the freeze in departmental operating budgets announced in the 2010 budget. The statement will be brief so that you may have more opportunity for questions and discussion.

Overall, there are two broad sections to my remarks. First, I just want to set the context in terms of what Industry Canada does. It has a broad and diverse mandate. The department delivers a wide range of programs and services to Canadian businesses, communities, and individuals.

[*Translation*]

Our activities include, first of all, the development and enforcement of framework policies regarding subjects such as the bill on copyright which is currently before the House, patents, the Competition Act and the Investment Canada Act. The mandate consists in developing bills and in applying them. This is what we call framework policies in English.

Secondly, law enforcement and inspection programs must be conducted. Once again, this means a diversity of interventions. This could go from the review of mergers by the Competition Bureau to the inspection of gas pumps done by Measures Canada, including the work done by spectrum officers as they monitor the use of spectrum licences. This is my colleague Ms. McDonald's area.

Third, we also manage a certain number of subsidy and contribution programs to sustain economic development in some leading-edge areas and in certain regions. For instance, we have a program that is called the strategic initiative for aerospace and defence which, as you can see, concerns aeronautics. We have a fund for innovation in the automobile sector, we also have a northern Ontario development program that is managed by FedNor.

• (1210)

[*English*]

In addition to these ongoing program activities, the department is often called upon to undertake exceptional initiatives during difficult economic times. For example, in the last few years the department led the negotiations with General Motors and Chrysler in facilitating their restructuring plans. The department, during the economic crisis, also developed and implemented, in partnership with provincial

governments, the knowledge infrastructure program to enhance the quality of infrastructure in our post-secondary education institutions.

So having presented this brief overview of what the department does, I'd like to turn to the issue at hand, which is how the department is addressing constraint measures announced in budget 2010.

For Industry Canada, the impact of the constraint measures for the current fiscal year is estimated at about \$3 million, and for next year at \$4.6 million.

[*Translation*]

I would like to make two brief comments with respect to these objectives.

First, over the last few years the department has spent a great deal of time and some money to put in place appropriate processes to enhance our financial governance model. It is important to us to ensure integrity in the financial information we report, and to do so we undertook improvements to our internal controls that will allow for the department financial statements to be audited. This work has been recognized by the Auditor General with us reaching a significant milestone in our journey to strengthen controls.

This strong financial management and oversight capacity was also recognized by the Certified Management Accounts Award of Excellence for Comptrollership, who listed Industry Canada as a finalist last year.

Overall, these investments improve our capacity to manage the department.

[*English*]

Second, in order to address the constraint targets in the next year—as well as, for that matter, what we've done this year—we'll use a variety of tools. These tools include tighter management oversight over staffing activities, travel reduction, and reduction in external consultants.

Managing in this environment is about making choices that respond in an optimal way to achieve results with the resources that the government and Parliament place at our disposition. Let me give you an example. During the auto crisis of a couple of years ago we had to move quickly. We had to ensure that we had the necessary capacity to do the appropriate degree of due diligence on the restructuring proposals that the companies were presenting. We therefore retained KPMG and Ernst and Young to assist us in doing our due diligence. We paid for these non-ordinary contractual expenditures by reducing expenses in other parts of our portfolio. We made a choice as to how we were going to manage the department. We made a choice in terms of how we were going to spend the resources given to us.

Going forward, the management team at Industry Canada will continue with the approach of deploying resources awarded to us in an optimal way. We plan based on the best information available at a given moment in time, and we adjust as circumstances change.

That concludes my opening remarks. Kelly, Helen, and I are available to answer your questions to the best of our ability.

**The Chair:** Thank you, Mr. Dicerni.

For eight minutes, Mr. Regan, please.

**Hon. Geoff Regan:** Thank you very much, Mr. Chairman.

Thank you very much for appearing before us today.

Let me ask you first about your report on plans and priorities for 2010-11, in which you forecast a reduction of \$1.39 billion. This is, of course, the report that came out last year after the budget. This is a reduction of \$1.39 billion in your planned spending by 2012-13. How will your department achieve these savings? What is the breakdown of savings among the different expenditure items, for instance personnel, transport, communications, and professional and special services? Can you give us that?

• (1215)

**Mr. Richard Dicerni:** To a very large degree these relate to expenditures that were initiated in the context of the economic action plan. For example, we've had \$2 billion in the knowledge infrastructure program, \$1 billion for each year. Those are winding down this year as projects get completed; therefore, the expenditure is no longer carried in our books.

We have a number of one-time initiatives, such as \$25 million for the Canada Foundation for Innovation. We also had the marquee tourism program that has wound down. Those programs, for all intents and purposes, are winding down as a result of the end of the economic action plan or they are one-time initiatives that were just targeted for that reason.

**Hon. Geoff Regan:** Have you forecast any savings under the heading of "personnel", and if so, how much?

**Mr. Richard Dicerni:** For personnel, we had some small additions in personnel to manage these programs. Kelly may have the specifics, but they were under...a single-digit percentage of additional staff.

**Hon. Geoff Regan:** Sorry, if you don't mind, what I'm looking for is numbers.

**Mrs. Kelly Gillis (Chief Financial Officer, Comptrollership and Administration Sector, Department of Industry):** For the economic action plan we received in our operating base approximately \$25 million, and we hired approximately 100 people to achieve those temporary initiatives to undertake the economic action plan. That is the only staffing that we anticipate having.

**Hon. Geoff Regan:** You're talking about \$1.4 billion. It sounds to me like a tiny segment of that, so far as I've heard, and I'm looking for these different headings—personnel, etc. How much of that \$1.4 billion comes from each of those headings?

**Mrs. Kelly Gillis:** There is \$1.35 billion that comes from grants and contributions.

**Hon. Geoff Regan:** What kinds of grants and contributions are those? Give me an example. Are those the kinds of grants that ACOA or FedNor...? What kinds of grants and contributions are we talking about?

**Mr. Richard Dicerni:** We're talking in terms of the knowledge infrastructure program. The modality that we used was to enter into contribution agreements with provincial governments. So for example \$985 million was targeted to be delivered through provincial governments. That's an example, if you wish, of a contribution agreement.

**Hon. Geoff Regan:** What Ms. Gillis is telling us is that you have no staff reductions beyond the issues around the economic action plan. Is that correct?

**Mrs. Kelly Gillis:** In the report on plans and priorities, the difference that was quoted in the report is related to the downsizing after the economic action plan, yes.

**Hon. Geoff Regan:** You've not identified any other reductions in personnel?

**Mrs. Kelly Gillis:** Not in that particular document, no.

**Hon. Geoff Regan:** You have somewhere else?

**Mrs. Kelly Gillis:** Not publicly, no. When we look at our staffing and our attrition, we plan accordingly. Right now on the amounts we have in our reference levels, the documents that were posted were prior to budget 2010 coming out, and the absorption and the expenditure restraint.

**Hon. Geoff Regan:** I guess what you're telling us is that you have other numbers in terms of what you forecast in terms of reduction, but you're not going to give them to us because the government won't let you give them to us. Is that right?

**Mr. Richard Dicerni:** No—

**Hon. Geoff Regan:** The problem we have, of course, is we are trying to assess as a committee what the impact will be of the spending freeze, and what the impact will be on departments, their programs, and on Canadians, effectively. So it's awfully hard for us to do that if we can't get access to the real information, as you can imagine, I'm sure.

**Mr. Richard Dicerni:** Two points. One, and I recall discussing this with another committee about six or seven months ago, is there is a time-sequencing challenge in regard to when the document you're referring to goes to print and the budget of the next year. There's a time gap there.

Secondly, just to put it back into context, as I said in my opening remarks, we're dealing with \$3 million, and I think \$4.5 million or \$5 million for next year, on a base of about \$400 million. Our overall Industry Canada O and M base is about \$400 million. As I was trying to say, perhaps not as well as I could have, we do adjust as circumstances warrant. So sometimes we will spend more on consulting, as we did quite purposely during the auto negotiations, because I needed on-the-ground assistance very quickly. In other cases we will perhaps build up staff. If I talk about something that's happening currently, in real time, assuming the TMX and the London Stock Exchange proposal goes through, I will probably ramp up my legal staff bills.

• (1220)

**Hon. Geoff Regan:** You also have the problem of course that the President of the Treasury Board identified your department as one of 13 subject to strategic review. That's in this current fiscal year, which requires you to reduce your program spending by 5%. What have you identified to date in terms of that 5%, and what are the low-performing programs you've identified so far in that respect?

**Mr. Richard Dicerni:** It's for next year. Strategic review is done over a three-year timeframe. Our first year where these reductions would be implemented would be 2011-2012. Secondly, we don't know what the specific number or target is going to be because that will come out in the budget.

**Hon. Geoff Regan:** Just a minute now. Weren't you told and directed last year, on May 3, to find 5%? Isn't that the number you were given?

**Mr. Richard Dicerni:** We were asked to present proposals to cabinet for ministers to consider. We have not been made aware of any decision to date by ministers. Those will come out in the budget, and those will relate to 2011-2012.

**Hon. Geoff Regan:** You see, our problem here is that we have the government assuring us that it's going to balance the books by 2015. Meanwhile, we have the Parliamentary Budget Officer and the IMF telling us that's not the case, it's not going to meet it. Yet we can't get access to the kinds of figures involved in what the government expects to do over the next few years to get to that target. What it's saying to Canadians is don't worry your little heads, trust us. That's very worrisome.

**The Chair:** Make it a very brief response, Mr. Dicerni.

**Mr. Richard Dicerni:** I was familiar with your concern, having watched Minister Day appear in front of your committee on Tuesday, somewhat as a warm-up to my appearance today.

**Voices:** Oh, oh.

**Hon. Geoff Regan:** Thank you, Mr. Dicerni.

**The Chair:** Mr. Dicerni and Mr. Regan, my thanks to you both.  
[Translation]

Madam Bourgeois, you have eight minutes.

**Ms. Diane Bourgeois:** No, it is my colleague's turn.

**The Chair:** So then it's Mr. Vincent's turn for eight minutes.

**Mr. Robert Vincent (Shefford, BQ):** Thank you, Mr. Chair.

Mr. Dicerni, Ms. Gillis, Ms. McDonald, I am pleased to welcome you to the Standing Committee on Government Operations and Estimates. We saw each other for years at the Standing Committee on Industry, Science and Technology.

In your documents posted on the Internet, I was able to look at the 2010-2011 estimates and, indeed, the answers you provided earlier do in fact reflect your plan accurately. In 2010-2011, you had financial resources totalling \$2.448 billion, but this amount will be reduced to \$1.058 billion in 2012-2013. As far as human resources are concerned, you had been loaned 112 person-years which you will be losing, so you will be going from \$5.279 billion to \$5.176 billion. In my opinion, the problem lies in the fact that these cutbacks are far too big.

Let us look at the way spending will be broken down under the heading Canada's research and innovation capacity. I think that this is an important field for you. You actually talked about this a little bit further in the document. You state that these are cutting-edge organizations and that we need to be investing in these fields as they are effective in driving a strong Canadian economy, etc. These are the fields which enable our economy and our businesses to break

through on the international scene. In addition, this field also generates well-paid jobs.

I would like you to explain something to me. According to the estimates for 2009-2010, total program activity expenditures were \$1.745 billion. Included in these program activities is \$1.281 billion for Canada's research and innovation capacity. This is apparently a very important field, it drives the economy, but we will be investing \$170 million in this sector in 2012-2013. Think about it—this budget will be slashed by more than \$1.11 billion.

● (1225)

**Mr. Richard Dicerni:** The figures contained in the document to which you are referring are accurate and I agree with you. The big difference pertains to the knowledge infrastructure program. All of the construction initiatives undertaken in partnership with the provinces, in this case with the ministère de l'Éducation et de la Formation, le ministère du Développement économique, de l'Innovation et de l'exportation du Québec, in order to renovate CEGEPs and universities, constitute capital for construction development. These projects—I recently discussed this matter with the two deputy ministers from Quebec—will expire on October 31 of this year. The construction projects have been completed. We will continue to invest in research and innovation through the granting councils and through the Canada Foundation for Innovation. We are not touching those areas. The decrease you are referring to pertains to construction programs that had been introduced in the 2009 budget and which are expiring. These renovation projects have been completed.

**Mr. Robert Vincent:** How do you explain that this is being done in research, development and innovation? I do not know. It is going there, but the money is being spent somewhere else.

**Mr. Richard Dicerni:** The money has not been spent elsewhere, it was allocated for a two-year period of time. The government recently extended this time period by six months, and now it is expiring. As part of our estimate process, we had to put this program under a certain heading. Since this program was designed to increase the capacity of post-secondary institutions to achieve their own objectives and fulfil their mandate, we classified it under this heading.

**Mr. Robert Vincent:** So Industry Canada was mandated to invest money in cement? It seems to me that the knowledge infrastructure program should not come under Industry Canada. It is up to the federal government to invest, and that goes to another filter. Just like what we saw during the G-8 and G-20 summits when the money was taken from your department but spent elsewhere.

**Mr. Richard Dicerni:** I think that you are talking about something else.

**Mr. Robert Vincent:** I know, but this is your department's money that is going elsewhere.

**Mr. Richard Dicerni:** As you know, our department does have a component that pertains to science, technology and innovation. It was in part because of our contacts with the provinces that the government, in its 2009 budget, requested that the Department of Industry deliver this program.

I do agree with you that the vast majority of the infrastructure program was managed by the Transportation, Infrastructure and Communities portfolio. Nevertheless, we were responsible for a significant part of the program that was related to the support that we were to provide to post-secondary institutions. There were approximately 550 projects underway throughout the country, including about 80 or 85 in Quebec, that were undertaken in partnership with all of the provincial bodies in the country.

**Mr. Robert Vincent:** Let us talk about the activities of the global reach and agility in targeted Canadian industries program, which focuses on strong economic growth. Could you explain this program in greater detail? Once again, there have been drastic cutbacks. The program initially had \$192 million and then it was cut back to \$105 million and then to \$36 million.

**Mr. Richard Dicerni:** The department targets certain sectors with which it works quite closely. The aerospace sector is probably the one that it has focused on the most. I will get back to this matter later, and provide you with more clarification about the numbers. Nevertheless, I know that the support program is continuing and that the appropriations are there. The industrial benefits program is still ongoing, we are very present there. We are continuing most of our investments.

• (1230)

**Mr. Robert Vincent:** In your opening statement document, we read that the impact of constraints for the current fiscal year is estimated...

**Mr. Richard Dicerni:** What page are you on?

**Mr. Robert Vincent:** ... to be \$3 million and, in 2011-2012, \$4.6 million.

**Mr. Richard Dicerni:** What page are you on, sir?

**Mr. Robert Vincent:** When I take a look at the estimates...

**Mr. Richard Dicerni:** What page are you referring to?

**Mr. Robert Vincent:** ... I'm thinking that it will be easy for you, you have so many cutbacks.

**Mr. Richard Dicerni:** What page are you looking at?

**Mr. Robert Vincent:** I am referring to the document you read earlier. It states that cutbacks to Industry Canada for the current fiscal year are estimated to be \$3 million and that, for 2011-2012, this figure will total \$4.6 million. I am assuming that these are reductions, cutbacks, right?

**Mr. Richard Dicerni:** Yes.

**The Chair:** Unfortunately, your time is expired. I am sorry.

**Mr. Robert Vincent:** We will get back to this issue later.

[English]

**The Chair:** Mr. Calandra.

**Mr. Paul Calandra:** The last couple of years have been somewhat dramatic and your department has done a spectacular job in helping to guide us through what was a pretty devastating downturn. I think the entire department deserves congratulations for what it was able to accomplish in the time allotted to it. I think it's an example of how governments should operate. So I want to thank you for that.

I hope this doesn't come across as rude, but how long have you been involved in government? How long have you been in government?

**Mr. Richard Dicerni:** I am closing in on my fifth year as Deputy Minister of Industry. Before that, I had a number of jobs provincially as deputy minister. I was president of Ontario Power Generation for a couple of years.

**Mr. Paul Calandra:** You have lots of experience then.

**Mr. Richard Dicerni:** I have maybe 35 years.

**Mr. Paul Calandra:** Is the concept of cabinet confidentiality a new one?

**Mr. Richard Dicerni:** I don't believe so.

**Mr. Paul Calandra:** That's good, because I have to tell you we've been hearing a lot from, in particular, the Liberal opposition here with respect to debating the budget in public, and they seem to be moving in the direction of wanting more of a republic-style government in which you debate the budget and you negotiate it out in public, similar to how the United States does, because that allows them to then throw in their little entitlements, as we've seen in the U.S., which has gotten them into so much trouble.

I rack my brains, because in the mid-1990s I was actually in the Ontario government. I was working for a member of the provincial Parliament. I think it was the 1997 budget in particular. I remember sitting in my office listening to then Minister of Finance Martin deliver that budget and remembering with shock, to be honest with you, the unilateral cuts to health, education, and social programs that were made. I think there were \$25 billion worth of cuts, and for the life of me I simply don't remember any advance press releasing of that, any advance knowledge to the provinces that it was actually going to take place.

So I'm a bit confused by their desire now for everything to be out in the open despite the risks that may occur. When I asked the Parliamentary Budget Officer the other day whether there was some risk in our system of people profiting from advance knowledge of what might be in the budget, he quite clearly said yes. I'm a bit concerned by the direction of the Liberal opposition.

Let me ask you this. Despite everything that's happened... And I know it's kind of a difficult question, because things just happen. Nobody would have anticipated the problems we had in the auto sectors. Going forward, what are some of the key priorities for the department, assuming that nothing creeps up like the auto sector did?

**Mr. Richard Dicerni:** One thing I've realized over the last four and a half or five years in this department is that something always creeps up. Despite having done the best planning we could do, such as some of the current reviews we may undertake under the Investment Canada Act, even just last week there was public debate over usage-based billing. In the fall I think a number of people were engaged in the BHP discussions. I take it as a constant that the Department of Industry will be a source of news.

In regard to priorities going forward, perhaps I could paraphrase some of Minister Clement's thoughts. One would be on a digital economy strategy. It is very important that we harness the potential that exists out there to enhance our competitiveness. He had a meeting recently with his provincial counterparts to sustain that.



Second, broadly speaking, to reinforce our intellectual property framework, the House of Commons recently passed a bill on spam. There's a bill before a special committee on copyright. So I think intellectual property is important.

In terms of ongoing S and T and innovation, the government has launched a review, chaired by Tom Jenkins, to assist in assuring that taxpayers get the best bang for the buck, including a tax credit, in regard to the \$7 billion spent on supporting business in R and D. So we are ensuring that we maximize value out of those investments both in terms of basic research and in commercialization outcomes.

Fourth, in terms of small business, the Senate recently released a report analyzing BDC's proposal for change. They are up for their ten-year legislative review this year, and we will be focusing on how to optimize BDC's contribution to the economy. Over and above that, there is the ongoing focus dealing with certain sectors, such as the aerospace and automobile sectors.

Last, I would note the ongoing commitment of the minister to economic development in northern Ontario.

• (1235)

**Mr. Paul Calandra:** With those priorities in mind, are the cost containment measures we're seeking from the department putting any of those at risk?

**Mr. Richard Dicerni:** It's our job, as officials—and I am fortunate to have a very good cadre of senior officials—to deliver on these objectives with the resources the government, and subsequently Parliament, gives us.

**Mr. Paul Calandra:** I have one last question.

Tell me a little bit about the service standards the department has in place.

**Mr. Richard Dicerni:** They vary a great deal. Some are legislatively driven—for example, under Investment Canada, we have to offer investors a view within 45 days. We can seek a 30-day extension.

We have a similar type of guideline within the Competition Bureau, in terms of how we can provide guidelines to companies that are seeking to merge.

At an operational level—and perhaps Helen could speak to that—we have spectrum licences.

**Ms. Helen McDonald (Assistant Deputy Minister, Spectrum, Information Technologies and Telecommunications, Department of Industry):** You may know that we hand out a lot of licences for spectrum. We also certify equipment. On our website for many years we've had a series of time performance: if you apply for a licence, you can expect it within  $x$  days if the application is complete, and within  $y$  days if it requires international collaboration.

We have service standards in our areas of major types of licensing but also in certification of equipment for use within Canada.

**The Chair:** Thank you, Mr. Calandra.

Mr. Martin, for eight minutes, please.

**Mr. Pat Martin:** Thank you, Mr. Chair.

Welcome, Mr. Deputy Minister and guests.

You came so willingly and cooperatively to our committee. It's been hard to get some of the departments to attend our committee, or to schedule them.

**Mr. Richard Dicerni:** I drew the long straw.

**Mr. Pat Martin:** I see, you drew the long straw at the deputy ministers meeting.

You do paint a glowing report of the efforts you have made to spend what you have more wisely and to find efficiencies within the existing system without having to cut too drastically.

I note that the impact of the constraint measures imposed on you for the current fiscal year is estimated to be about \$3 million, and about \$4.6 million in the next fiscal year. What percentage of your total budget does that represent?

• (1240)

**Mr. Richard Dicerni:** It's 1%.

**Mr. Pat Martin:** It's 1%? It must be less than that.

**Mr. Richard Dicerni:** The overall operating budget of the department—what we refer to as O and M—is about \$400 million.

**Mr. Pat Martin:** Is that all?

**Mr. Richard Dicerni:** Yes.

**Mr. Pat Martin:** That's a miserly amount of money for such an important portfolio.

**Mr. Richard Dicerni:** Well, we do have a policy role as it relates to many of the other agencies, departments within the Industry Canada portfolio, including StatsCan—

**Mr. Pat Martin:** Right, that's what I mean. I'm adding up all those things. It's such a pluralistic portfolio.

**Mr. Richard Dicerni:** There is the Space Agency, the National Research Council, the granting councils—

**Mr. Pat Martin:** They all have their own budgets.

**Mr. Richard Dicerni:** But those are not explicitly under my financial accountability.

**Mr. Pat Martin:** You can't cut their budgets.

**Mr. Richard Dicerni:** No, but I have the opportunity to involve myself in various files when they surface, such as the census matter last summer.

**Mr. Pat Martin:** Right, you lucky duck.

**Mr. Richard Dicerni:** I do that on a policy level rather than on an operational level.

**Mr. Pat Martin:** If the 5% expectation is across the board, where are you going to find 5%?

**Mr. Richard Dicerni:** That will be starting next year. Those measures I referred to are for this year and next year. Over and above that, next year there will be—

**Mr. Pat Martin:** But the 5% will only be on your \$400 million.

**Mr. Richard Dicerni:** Yes.

**Mr. Pat Martin:** It's not on the global universe of Industry's—

**Mr. Richard Dicerni:** But other departments, the chief statistician, for example, would have to address his reductions within his bailiwick.

**Mr. Pat Martin:** What is your strategy for getting to 5%?

Some of us feel there is no fat left to be trimmed, and some of this cutting is “penny wise, pound foolish”. You will just have to be contracting out the work that you have to eliminate. When you cut all the fat away and you're into the flesh and the bones, now you're getting into a substantial impact on your ability to provide the services in your mandate. Five percent may seem like a reasonable amount, but we went through that process under the Liberal government years ago—cutting, hacking, and slashing with program review—and some of those cuts still haven't healed.

I notice you make reference to the number of external consultants you use now. You may be able to find efficiencies there. The reason we went into this consultant phenomenon in Ottawa was that they laid everybody off and then hired them back at \$1,500 a day. It's a false economy to lay off somebody who makes \$200 a day, give him a big payout, and then hire him back at \$1,500 a day. Then we wonder why you can't swing a cat in Ottawa without hitting a consultant.

**Mr. Richard Dicerni:** In my four and a half years at Industry Canada, I have reduced quite markedly the number of consultants we use.

The auto situation was a one-off. If we were going to recommend that the government spend \$10 billion, I wanted to have on-the-ground capacity to do the due diligence, so we hired a substantial number of auditors to validate the restructuring plans that GM was giving us. Indeed, the first time out we sent them back because they were inadequate, so I needed to retain external consultants to assist in doing our job, but the overall management approach is to not use management consultants, to not use consultants generally.

With regard to your point about fat and this and that, it's our job, as senior bureaucrats, to manage, and managing is about making choices. It was the same thing when I was working as a deputy minister under Mr. Rae or Mr. Harris. They both had constraints, and you do the best you can with the amount given to you.

What has changed over the last little while is that there is a much greater degree of transparency. Mr. Regan raised a number of points about there not being enough information. There has been a change over the last while with regard to what I would call transparency. I will give you two factoids. We, as a department, have appeared 36 times in front of various parliamentary committees just in this fiscal year. There is much more dialogue taking place between parliamentarians—

• (1245)

**Mr. Pat Martin:** I'm talking about being meaningful when you do come.

**Mr. Richard Dicerni:** Well, if you come 36 times, some information is bound to dribble out.

**Mr. Pat Martin:** It's by accident, and it's been like pulling teeth. Anything we really want to know is all of a sudden a cabinet confidence. Government is hiding behind the notion of cabinet confidence. There's nothing new about cabinet confidences. What's

new is using them as a way to deny Canadians the right to know their government's plan to dig them out of the deepest deficit we've seen in generations. This paltry amount of savings you're bringing to the table is not going to help the government with a \$57-billion deficit. You're talking \$3 million and \$4 million per year.

I'm sorry we've wasted your time in bringing you here today.

**Mr. Richard Dicerni:** I appreciate there's a delta between our contribution and the broader deficit reduction. Fortunately, there are people above my pay grade who will make up that difference.

**Mr. Pat Martin:** Yes, I suppose.

It seemed the government was very proud of how they were going to spend their way through the recession. They bought billboards and proclaimed the way they were going to do it. But now when we ask to see the flip side of the coin, how we're going to get out of this deficit situation, it's a dark secret, a cabinet confidence.

We argue that the public has a right to know what the plan is. You know what it is because you sit around the deputy ministers table with the Clerk of the Privy Council, etc., but we don't have a right to know, even though we're parliamentarians.

**The Chair:** Thank you, Mr. Martin.

Would you like to respond on that, just briefly?

**Mr. Richard Dicerni:** Yes.

Some of the large numbers that do relate to Industry Canada are there. I mean, the large chunk was the knowledge infrastructure program. That was \$2 billion that used to be in our estimates and that is going away. We also had the marquee tourism program at \$100 million. That was a two-year effort. It's done. It's not coming back.

So there are some specific factoids that do explain the large chunk as it relates to Industry Canada and how we have gone from here to there.

**The Chair:** Thank you, Deputy Minister Dicerni.

Madam Coady, five minutes.

**Ms. Siobhan Coady:** Thank you very much.

This is the first opportunity I've had to say thank you for coming. We really appreciate the information you give.

**Hon. Geoff Regan:** And the good lines.

**Ms. Siobhan Coady:** And the good lines.

Just to Mr. Calandra's point, I've known Mr. Dicerni for a number of years. I sat on a couple of boards with him. He has a very distinguished career. We're very fortunate to have him in the federal public service. I'm glad to have him before us today.

Mr. Dicerni, I'm wondering about a couple of key points. First, could you tell me what your attrition rate is this year?

**Mr. Richard Dicerni:** This year is a bit different from previous years. In previous years we have been running at, I would say, a little bit less than 10%. This year we are running at about maybe 6% or 7%.

**Ms. Siobhan Coady:** Okay, great. Thank you.

Now, I'm assuming—you didn't give me a number, but you did give me a percentage—that you're going to fill those positions, save for the 100 that we know you will not be rehiring because of the economic action plan. Is that correct?

**Mr. Richard Dicerni:** Not necessarily. Our management group meets once a month to review where we are at with our budget. We will be making some investments in Helen's area, for example, to improve our capacity to technologically deal with licences that we provide, as well as the cash that comes in.

• (1250)

**Ms. Siobhan Coady:** So you may be making some human resource decisions around it, but by and large the numbers will be the same.

**Mr. Richard Dicerni:** Overall we don't expect major changes, but in the same way that during the auto crisis we did slow down staffing in order to have additional resources to apply to these management consulting firms to do the due diligence on the car deals—

**Ms. Siobhan Coady:** Those are management decisions that you will make, but in general you're going to be on par number-wise. I think that's what you furnished to the Parliamentary Budget Officer, save for those 100 positions that we talked about earlier.

**Mr. Richard Dicerni:** Yes; we do have, I would say, a plan, but given the churn.... Let's say you have a churn of 600 or 700 jobs a year that become open. We have a fairly tight management oversight regarding—

**Ms. Siobhan Coady:** When you hire and how you hire.

**Mr. Richard Dicerni:** Yes.

**Ms. Siobhan Coady:** Okay. But it's literally that at some point during the year these positions will be filled.

The reason I'm saying this is that there's not going to be a major change in human resources within Industry, except for, say, instead of hiring in January, you might hire in March, and those two months' savings—

**Mr. Richard Dicerni:** A variety of these tools indeed are the ones that we will put in play. We will cut down a bit more on travelling. We'll cut down a bit more on consulting, and delay some staffing, and invest in some technology.

**Ms. Siobhan Coady:** I'm assuming that you have a human resources plan, then. I think you alluded to it earlier.

**Mr. Richard Dicerni:** We do, and we monitor it on a regular basis.

**Ms. Siobhan Coady:** I noted that in the Parliamentary Budget Officer's report on budget freeze, in the report content table showing both “risks” and “strategies”, for Industry Canada it had “no” and “no”. Human Resources, for example, had “yes” and “yes”.

Can you confirm that, please?

**Mr. Richard Dicerni:** Well, I saw that too, and I queried it, because in the document we call the business plan.... We didn't have, granted, a heading that said “risks”; however, if you look at page 20, it very explicitly discusses the human resource challenges we face and how we are seeking to mitigate those challenges.

So although we didn't have that subheading—

**Ms. Siobhan Coady:** You do have that.

**Mr. Richard Dicerni:** —page 20 lays it all out.

**Ms. Siobhan Coady:** Okay. Perfect.

You're committed, obviously, to maintaining service quality and eliminating or minimizing business risk. I'm assuming that.

**Mr. Richard Dicerni:** Yes.

**Ms. Siobhan Coady:** Okay, thank you.

How much time do I have?

**The Chair:** You have 30 seconds.

**Ms. Siobhan Coady:** Okay. I wanted to go back to a point you made earlier, and this was about the cabinet confidences.

In 2005, as you know, the Liberal government put on a website, even before the cuts were implemented and even before the estimates were brought forward, some of those cuts we're going to be seeing, some of the strategic review processes, and it wasn't a cabinet confidence. It was more this is from a planning exercise, strategic decisions made by management; this is how we're going forward.

We can't seem to get an understanding.... We already know there are budget limitations. Have you done that kind of exercise, and they're just not published at this point?

**The Chair:** Mr. Dicerni, please.

**Mr. Richard Dicerni:** As I mentioned, we have identified within the request that was given to the department on the strategic review. We've made various presentations, but no decisions have been made. So it's not a question of our not being able to share. It's that I am not aware that the decision has been made.

**The Chair:** Thank you, Madam Coady.

Thank you, Mr. Dicerni, Ms. Gillis, and Ms. McDonald.

**Mr. Chris Warkentin:** Mr. Chair, It would be nice to have another round.

**The Chair:** No.

**Mr. Chris Warkentin:** We do have time.

**The Chair:** I said at the beginning of the hour that we would reserve the final five minutes for Madam Coady.

**Mr. Chris Warkentin:** She just had five minutes.

**The Chair:** No, no. It's for this—

**Mr. Chris Warkentin:** I think we should.... We don't get these witnesses often. I think it would be appropriate if we—

**The Chair:** I'm in the hands of the committee. As you know, this room has to be available by one o'clock. We do have this motion that Madam Coady has put. I'm happy to run the clock, but the next questioner would be Monsieur Vincent.

**Mr. Chris Warkentin:** Let's try to get the time. You know, if Mr. Vincent has questions, then he can ask them.

• (1255)

**The Chair:** There may be no time left—

**Mr. Chris Warkentin:** If there is time.

We can deal with that at the subcommittee meeting. I think it was generally decided.

**The Chair:** Now that she has put forward the motion, I'm obliged to deal with it.

**Mr. Chris Warkentin:** Several motions that have been brought forward have been dealt with at subcommittee in the past, and I don't think it's uncommon practice. I think we should probably—

**Ms. Siobhan Coady:** Three meetings now.

**Mr. Chris Warkentin:** In three meetings it hasn't gone anywhere. It's fine, so it can wait another meeting. I don't think anything is time-pressing—

**The Chair:** That's a point of argument.

**Mr. Chris Warkentin:** —or that's necessary.

**The Chair:** It is a motion. It is properly before the committee. I have no unilateral ability to defer that to a subcommittee.

**Mr. Chris Warkentin:** Can we have consent from the mover?

**The Chair:** If Mr. Vincent does his five minutes, you could possibly arrive at a consensus among the four parties as to how to deal with this.

**Mr. Chris Warkentin:** That might be a bit more fair for those people who are still waiting to ask questions in this round.

**The Chair:** I'm fine with that, but—

**Ms. Siobhan Coady:** You're running out the clock now.

**The Chair:** Could I ask the representatives of the four parties to discuss it and advise the chair as to how you wish...?

Monsieur Vincent.

[*Translation*]

**Mr. Robert Vincent:** Mr. Chair, since we only have five minutes left, we obviously will not have time to do a second round.

I would like to make a request. Mr. Dicerni told us that the department had invested in infrastructures, in post-secondary teaching establishments, including CEGEPs. I would like to know the breakdown of investments per province.

**Mr. Richard Dicerni:** I will send it to you.

[*English*]

**The Chair:** Okay, thank you.

Thank you for your interventions on behalf of the committee. I appreciate them.

We'll now turn to Madam Coady's motion and deal with that.

**Ms. Siobhan Coady:** Thank you, Mr. Chair.

In the interest of time I'll be brief.

This motion was brought before this committee in the fall. We asked that this committee undertake a study on expenditures on advertising by the government and that it report its recommendations and conclusions to the House. It's been due process. It has been before this committee. I asked for a vote. There have been several things of late we've been talking about with regard to advertising: the increasing costs, the way in which this government is moving forward in its expenditures.... We have questions around websites

and the Treasury Board's ability to overturn standards requirements. There are a lot of issues that I think we need to address, and I'd like to have a vote on this motion, please.

**The Chair:** Mr. Warkentin.

**Mr. Chris Warkentin:** We have heard in this committee the dialogues with regard to advertising. I know there's been a number of people who have been before our committee, including representatives from Treasury Board, including the Auditor General, including a whole host of other folks, who have confirmed that in fact the advertising of the federal government is completely within the guidelines of the federal government, that no rules have been broken, that no guidelines have been broken.

As a matter of fact—it may be before Siobhan joined our committee—there was a lengthy discussion with Treasury Board, I recall, with Martha Hall Findlay, as it related to the advertising and the budgets that were allocated for specifically the action plan at that period of time. It was confirmed that in fact all guidelines had been followed, that there was nothing inappropriate done.

The Auditor General has also commented with regard to the rollout and the involvement of the federal government as it relates to the action plan, under the auspices of which a lot of this advertising fell. In this case, the Auditor General actually confirmed that the federal government had done an exceptional job.

Now, I know there is some dispute as to what should be advertised and what shouldn't be, but quite frankly I believe that when you're advertising initiatives to protect and inform seniors about their rights as they relate to seniors abuse, when you are advertising to Canadians about the threat and the necessity to protect oneself with regard to the possible H1N1 pandemic that was developing last year—and obviously those actions of the federal government were successful, in that the pandemic never happened—and when you look at the initiatives that are currently being advertised, including the—

[*Translation*]

**Ms. Diane Bourgeois:** Mr. Chair, I am raising a point of order.

**The Chair:** Pardon me, sir.

**Ms. Diane Bourgeois:** Mr. Warkentin is filibustering and I do not like that. So, I am asking that we vote so that we can leave before the...

[*English*]

**The Chair:** I was rather hoping to hear about Mr. Warkentin's baby.

• (1300)

**Mr. Chris Warkentin:** Well, let me tell you, as a father I think this is a serious point. When you look at the current advertising the federal government is undertaking currently, it relates to a whole host of initiatives to ensure children are protected.

**The Chair:** Thank you, Mr. Warkentin.

The time for the meeting is over. Unfortunately, we will not be able to get to this motion. Regrettably, I'll have to put it on at the beginning of the next meeting, and then at that point we'll be able to hear all of the other interventions.

Thank you, committee.

The meeting is adjourned.

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